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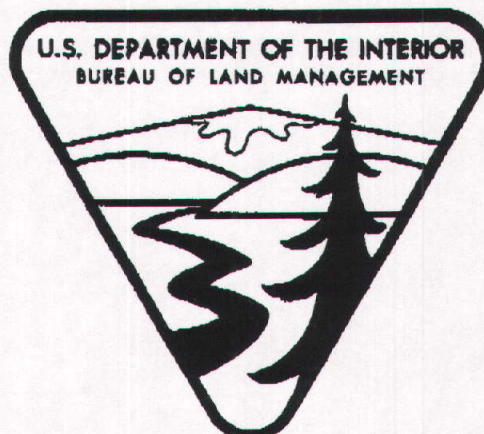
United States
Department of the Interior
Bureau of Land Management
Salt Lake Field Office
2370 South 2300 West
Salt Lake City, UT 84119
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DEC 14 2004
DIV. OF OIL, GAS & MINING

To: Lynn Kunzler ^{fax} Phone#: 381-3940
From: Larry Garabana Phone#: 977-4371
Number of Pages Including Coversheet: 3

Date: 12/14/04

Comments:



AGREEMENT

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Northern Stone Supply, Inc. and Gary Mullard, together with their counsel of record, Steel Rives LLP (collectively "Northern Stone"); and the Bureau of Land Management, acting through its authorized officer, together with Gale Norton, Secretary of the United States Department of the Interior, and all other defendants, acting by and through their counsel of record, the United States Attorney (collectively "BLM"), hereby stipulate to this agreement (the "Agreement") regarding the resolution of the matter now pending in the United States District Court for the Central District of Utah captioned Northern Stone Supply, Inc. v. U.S. Department of the Interior, et al., Civil No. 2:04CV00153, on the following terms:

1. Upon execution of this Agreement, counsel for Northern Stone will promptly withdraw without prejudice the lawsuit now pending in the United States District Court for the Central District of Utah captioned Northern Stone Supply, Inc. v. U.S. Department of the Interior, et al., Civil No. 2:04CV00153.
2. Northern Stone will prepare and submit a new Plan of Operations within 90 days of the execution of this Agreement. This time will be extended in the event unforeseen circumstances prevent or delay submission. The new Plan of Operations will cover Northern Stone's entire current and future operations at its Park Valley quarry.
3. Northern Stone will conduct its operations in accordance with its previously approved Plan of Operations (dated February 2003) until BLM approves a new Plan of Operations.
4. After April 1, 2005, Northern Stone will be permitted to relocate its crusher and corresponding operations to the east half of millsite 4. If by that time a new Plan of Operations has not been approved, Northern Stone will submit an interim bond in the amount of \$2,700.00.
5. Upon execution of this Agreement, Northern Stone will be permitted to remove and stockpile for future action any surface boulders from the east half of millsite 4 in preparation for the relocation of the crusher in the spring of 2005.
6. As part of the new Plan of Operations, Northern Stone will provide a reclamation cost calculation for BLM's review.
7. With exception of the interim bond referenced in Paragraph 4 of this Agreement, no additional reclamation bond will be required until BLM has reviewed Northern Stone's reclamation cost calculation, and an appropriate reclamation bond amount has been determined.
8. Upon execution of this Agreement the BLM Utah State Office agrees to remand the June 30, 2003 Request for State Director Review to the Salt Lake Field Office to process the new Plan of Operations to be prepared as stated above.

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9. BLM will prepare a Federal Register Notice opening the public lands in Township 13 North, Range 13 West, Section 18 for mineral development.
10. Once the public lands in Section 18 have been opened for mineral development, Northern Stone will be allowed to apply for and BLM will promptly process a mineral materials sales application that could allow Northern Stone to mine and remove the "common variety" materials as authorized by the mineral materials sales permit, subject to any required environmental reviews.
11. Northern Stone will establish an escrow account into which it will deposit \$12.50 for every ton of material mined and sold from its unpatented mining claims which the BLM alleges to be "common variety." The parties will pursue existing administrative and judicial remedies to determine whether or not such materials are locatable. The prevailing party will be entitled to all interest accruing on the escrow account pending resolution of the dispute.
12. BLM agrees to expeditiously complete the review process for the Plan of Operations, including any required environmental review.
13. This Agreement is a settlement and compromise of disputed claims and shall have no precedential effect with regard to any of the issues resolved herein.

Dated this 17 day of November, 2004.

Northern Stone Supply, Inc.

Stoel Rives LLP

Counsel for Northern Stone Supply, Inc.

Gary Mullard
Gary Mullard

John S. Kirkham
John S. Kirkham

Bureau of Land Management

Counsel for federal defendants

By Jolly Widy
Its: [Signature]

Daniel D. Price
Daniel D. Price, Assistant U.S. Attorney